

Massachusetts Industrial Finance Agency 1981 Annual Report

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# The First Three Years

	Projects	Bonds Issued	Jobs
1981	426	\$ 519,213,400	20,859
1980	298	\$ 446,008,600	17,374
1979	146	\$ 208,482,800	8,820
Total	870	\$1,173,704,800	47,053

Front cover: One of the most interesting factors in the recent resurgence of the Massachusetts economy is not only the extraordinary growth of high technology firms but also the surprising strength of many traditional New England industries growing with MIFA's incentive programs. H.K. Porter, Inc. of Somerville, formed over one hundred years ago in 1880, recently used a MIFA industrial revenue bond purchased by the First National Bank of Boston to build and equip an addition to its current manufacturing facility. The company hired 12 new employees in its business of forging multi-purpose cutting tools in heat treatment units that reach 1550° Fahrenheit. H.K. Porter is just one of 870 MIFA-assisted projects that are adding jobs essential to the state's future prosperity.

## Highlights

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At a time of the highest interest rates in our history, MIFA's incentives have played an increasingly important role in the Massachusetts economy. The private investment stimulated by these incentives contributes more jobs, stronger state and local tax bases, and new hope for the revival of our older communities. In three years the creation of MIFA has meant:

- ☐ 47,000 new, permanent jobs and 18,000 man-years of construction work.
- ☐ More than 12½ million square feet of new industrial space since 1980. In that year alone, MIFA assisted half of all the industrial space added in the state.
- ☐ Important assistance to hundreds of small companies. One-half of the companies helped by MIFA had sales of less than \$5 million, and three-fourths had sales of less than \$20 million.
- ☐ 92 commercial revitalization projects bringing \$140 million of investment in new or rehabilitated buildings to the heart of our older communities.
- ☐ \$50 million in manufacturing and downtown investment stimulated with MIFA's loan guaranties, adding over 2,600 jobs.
- ☐ \$163 million of investment in long term assets in Massachusetts by 84 companies based abroad or in other states.
- ☐ Over six times the volume of industrial revenue bonds issued to aid Massachusetts employers as in the entire decade prior to the establishment of MIFA.

## Board of Directors

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Springfield Institution for Savings  
Springfield

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Vice Chairman of MIFA  
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Cambridge Research Associates  
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## Report of the Chairman and Executive Director

1981 marks the third year of operations by the Massachusetts Industrial Finance Agency, a year which saw the start of an intense national debate over the appropriate scope and role of all government programs. Against this background we should pause to consider the effect MIFA's incentives have had in Massachusetts and the role they are likely to play in the future.

Founded in late 1978, MIFA's objectives were and remain to create jobs, revitalize our commercial centers, and strengthen the tax base of our state and communities. What did MIFA achieve toward these objectives in 1981?

The past year was MIFA's busiest yet, and saw the agency and local industrial development financing authorities pass the \$1 billion mark. By the end of the year we had completed \$1,173,700,000 in financings for 870 industrial and commercial revitalization projects adding 47,000 new jobs in Massachusetts. The 778 industrial expansions alone should add over 40,000 new, permanent jobs, while buildings constructed or rehabilitated through MIFA will mean 18,000 man-years of construction work.

Despite a national recession in 1980 and the onset of another recession in mid-1981, the Massachusetts economy has continued to outperform all but one of the other major industrial states, reporting consistently lower unemployment rates than all but Texas. One major reason: decisions by hundreds of large and small businesses to expand their physical plants and employment here in Massachusetts.

MIFA's programs of lower interest rates and loan guaranties have made a significant difference to smaller companies and to commercial real estate projects in our distressed downtowns, particularly during a time of the highest and most unstable interest rates in our country's history.

Hardest hit by the staggering changes high inflation and interest rates have made in the financial markets are smaller companies seeking long term capital to expand. These firms are almost totally dependent for financing on their local banks, which have had to shorten maturities, raise interest rates and abandon fixed rate lending. In a remarkable number of cases, MIFA's assistance has softened the impact of these changes on smaller companies and enabled them to add more jobs.

Approximately one-half of the industrial companies receiving industrial revenue bonds have sales under \$5 million, and over three-quarters have sales under \$20 million. In addition to lower interest costs, MIFA has offered these smaller enterprises guaranties to make larger loans available for expansion. Guaranties are also available for downtown revitalization projects and are becoming increasingly important as the federal government reduces incentives for community development.

In 1981, Governor King and the Legislature increased MIFA's guaranty reserve fund to \$8 million. And to help smaller banks serve their growing customers, legislation was enacted to exclude MIFA-guarantied loans from lending limits set for a single borrower.



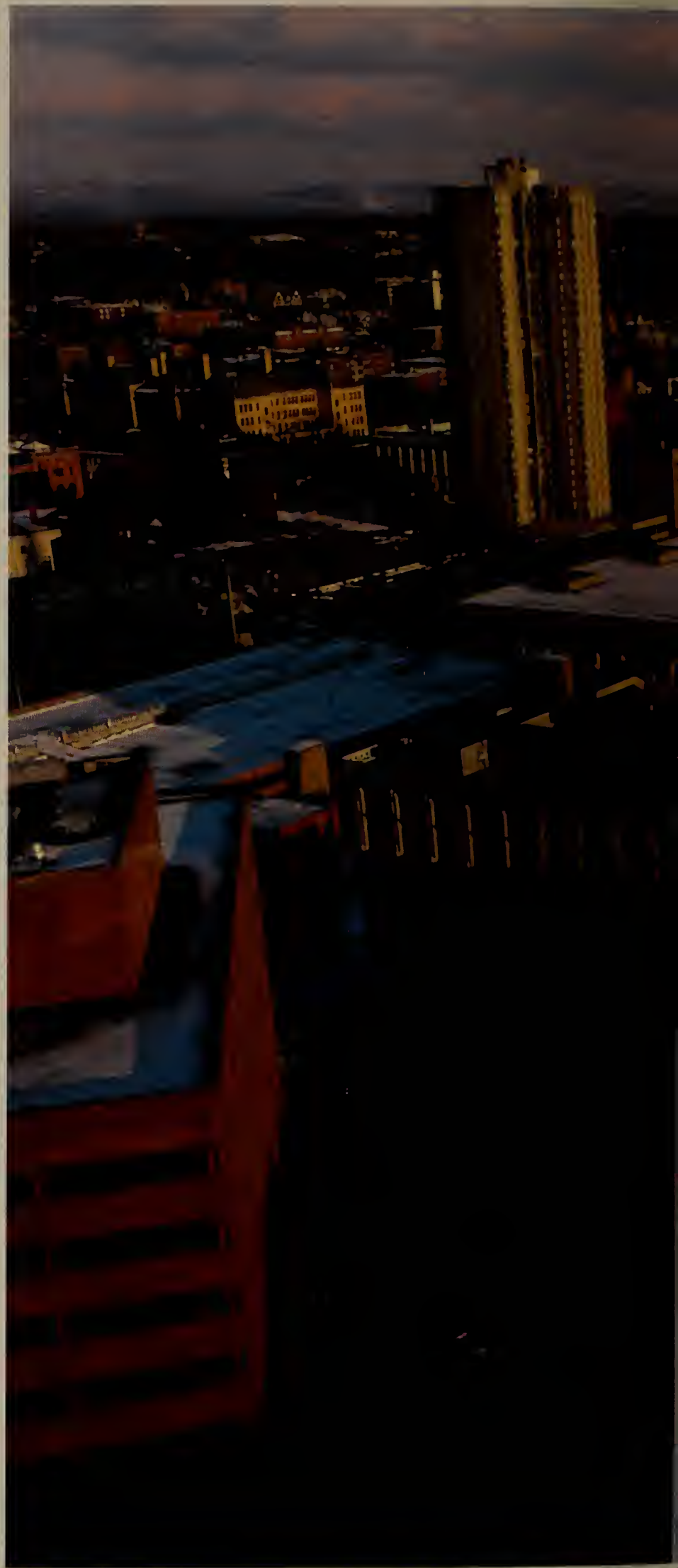
John McP. Collins, right  
Chairman  
Robert E. Patterson, left  
Executive Director





**M**ain Street in Springfield's Commercial Area Revitalization District (CARD) is bustling with construction activity as Johnson's Bookstore, the Market-Place, Pynchon Associates, and Albert Steiger, Inc. are using

more than \$9.4 million in industrial revenue bonds to renovate several keynote buildings on this important block.







A new spirit is alive in Springfield with the city's center now in the midst of a \$100 million rehabilitation and construction program—\$33 million of which has been assisted through the CARD program. A mortgage pool formed by local financial

institutions has worked with local, state and federal government leaders to make Springfield one of the most successful examples of the revitalization efforts underway in our older urban communities. Soon a third new office tower will rise on the site

of the vacant Forbes and Wallace Building (lower right) with MIFA's assistance. The CARD program has assisted 92 downtown revitalization projects totaling more than \$140 million across the state since 1978.



The importance of smaller businesses in a state like Massachusetts cannot be overemphasized. To a surprising degree these companies, both "high technology" and more traditional, are responsible for renewing our manufacturing base, only recently recovering from the decline and relocation of our region's older industries.

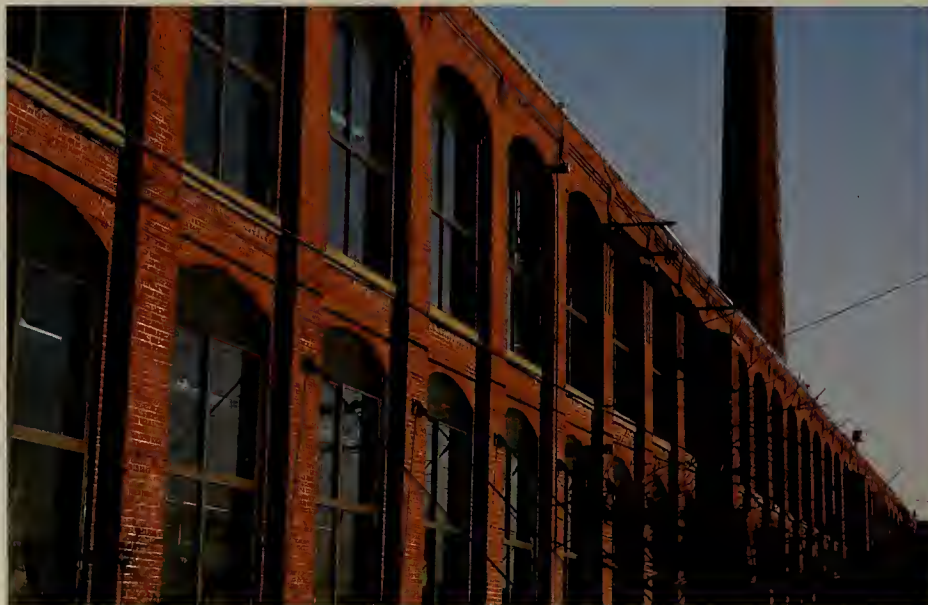
For example, twenty-five companies helped by MIFA to build plants and add equipment were founded since 1980. More than a quarter of MIFA's industrial projects benefitted companies founded since 1970; nearly one-half did not exist in 1960. And almost two-thirds of these firms were created since 1950.

The decisions by many smaller enterprises to expand in Massachusetts have added an impressive 12.6 million square feet of new industrial space in the last two years alone. In 1980, MIFA projects accounted for over one-half of all new industrial space created in Massachusetts.

The experience of MIFA's Commercial Area Revitalization District (CARD) program also has been very dramatic, especially considering that just a few years ago, little hope remained of reviving older downtown areas burdened with countless vacant mills and commercial buildings. So impressive have been the results of this creative policy that Massachusetts is now widely recognized as a national leader in targetting tax-exempt financing for commercial real estate projects.

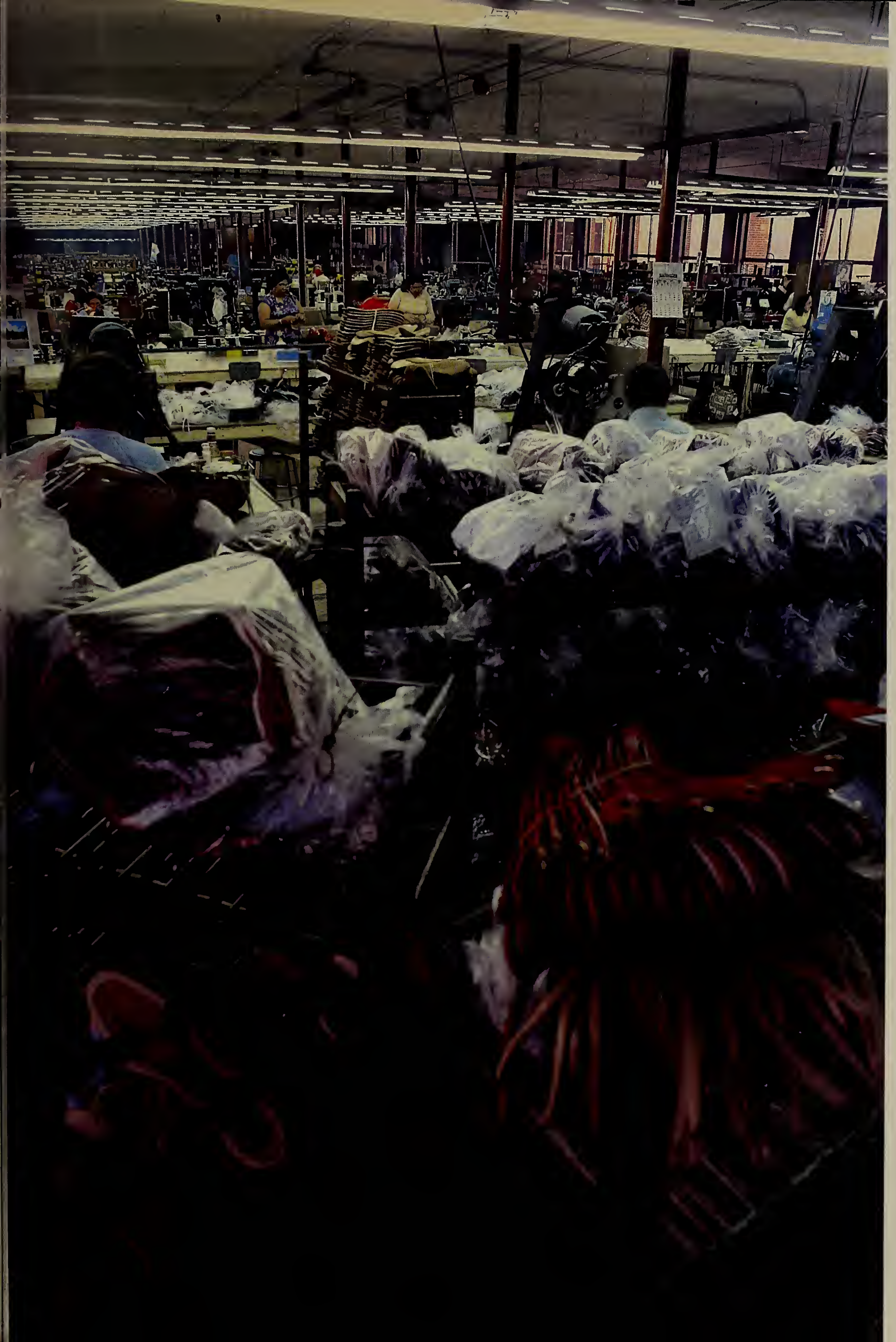
CARD financing and growing personal income from our industrial resurgence have sparked a remarkable rebirth in many Massachusetts cities and larger towns. We are very proud of the fact that MIFA has completed ninety-two CARD financings totalling \$140 million. These projects will add jobs, increase the tax base, and bring new life to the heart of our historic cities.

Cardinal Shoe Corporation, manufacturer of women's dress boots and shoes, renovated a 160,000 square foot mill building in downtown Lawrence. The facility was constructed in 1850 on the banks of the Merrimack River and now exemplifies, in combining the old and the new, an important trend in reusing older facilities as efficient manufacturing space.



In the ever-changing footwear industry, many manufacturers face the constant need to modernize and remain competitive. With the help of a low interest industrial revenue bond, Cardinal Shoe was able to meet these needs in its newly refurbished mill. Spacious and well lit, the once vacant building sets a standard for creating a pleasant, productive environment for this growing company's 390 employees.







The Gloucester Corporation processes shrimp in its new 26,000 square foot building in Lynn, financed with a \$1 million low interest bond. The company expects to hire 41 new employees as a direct result of this expansion. The plant and its new pier are part of Lynn's Marine Industrial Park, opened in 1981 and already fully committed.



Deacon Machinery, Inc. of North Adams, a subsidiary of a private United Kingdom company, commenced operations in 1981 with the help of MIFA's tax-exempt financing. Established to design, manufacture,

and market plastic molding machines, Deacon is one of 36 foreign and out-of-state firms that invested more than \$70 million through MIFA in Massachusetts in 1981 alone, creating 1,698 jobs.







Some firms with good growth potential, particularly young or small companies, have difficulty obtaining long-term loans to finance plant and equipment purchases. With a MIFA guaranty, a firm can borrow more of a project's cost at tax-exempt rates. Display Components combined a

MIFA guaranty with loans from the Massachusetts Technology Development Corporation, the Massachusetts Business Development Corporation, and the Worcester County National Bank to build its new 30,000 square foot manufacturing plant in Westford. Discom, which manufac-

tures deflection yokes, shown above, and other electro-optical components, doubled its full-time employment to 106 as a result of its expansion. The MIFA loan guaranty program has committed insurance for 48 projects investing \$50 million in the Commonwealth, creating over 2,600 jobs.





**P** & L Sportswear, which manufactures women's clothing for the College Town label, received a MIFA guaranty on a \$2,500,000 low interest bond to acquire a building in East Boston and construct an expansive addition. The company employs more

than 500 I.L.G.W.U. members at its 100,000 square foot facility and provides employee transportation to and from East Boston and Chinatown to its new site.



Given the devastating impact that high interest rates have on the feasibility of commercial real estate, it is highly likely that MIFA's assistance was critical in making the overwhelming majority of these commercial revitalization projects possible.

Industrial firms, particularly smaller ones, are also hurt by high interest rates. But the impact on industrial expansion is more difficult to determine since debt service on a new facility or additional equipment is only one factor in the decision to expand capacity. To better estimate the effect of its programs on the industrial market in Massachusetts, MIFA surveyed all users of its industrial revenue bond program for the effects this incentive has had on their investments.

A surprising one-third of the contacted companies responded. Of those, a startling 93 percent said they would have reduced their investment plans and the jobs they created without the interest savings offered by MIFA's programs. One-third would have cancelled expansion plans; another third would have delayed them; and one-fifth would have reduced their expansions by an average of 40 percent.

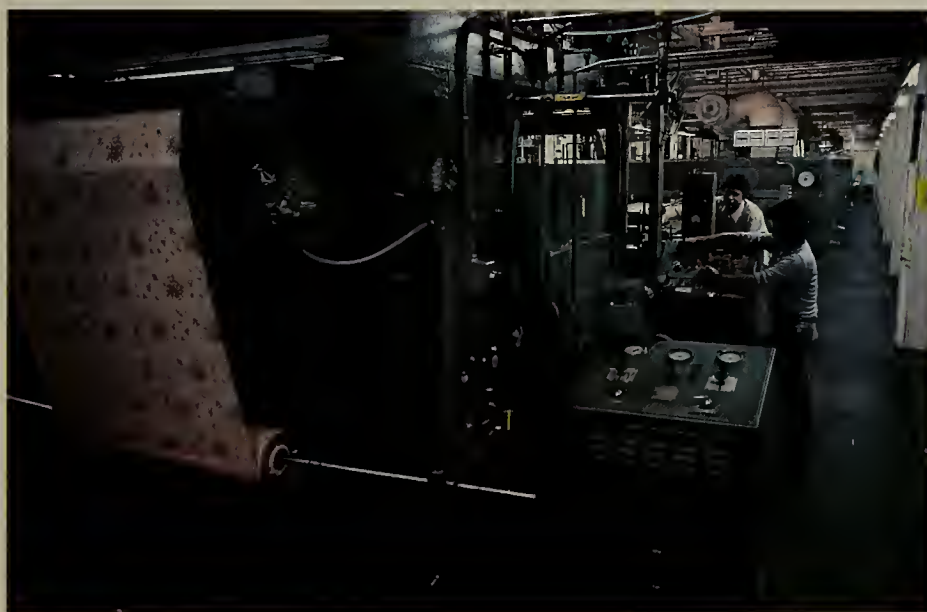
MIFA's impact in Massachusetts has exceeded the expectations of even the people involved in its creation. Demand is likely to remain strong as long as interest rates remain high, but meeting that demand depends upon two developments: (1) the ability to create public markets for bonds issued to benefit smaller, unrated companies, and (2) actions by Congress affecting industrial revenue bonds. 1982 will be the crucial year in both these areas.

During 1981 MIFA announced a pilot program to raise up to \$25 million for smaller, unrated firms from the national credit markets. Using letters of credit or guaranties from local and national institutions, unrated firms will achieve a AAA credit rating. Interest in this novel program, the first of its kind in the country, is strong. Unfortunately, a sudden reversal by the Internal Revenue Service of its long-standing, favorable position on revenue bond pools has thus far prevented us from implementing the program.

This new position of the IRS has proven very unpopular with Congress. A bill to prevent the IRS from enforcing this position became law in 1981, and we expect Congress will settle this issue in 1982 as part of a reform bill covering all industrial revenue bonds.



The Shipton Building is one of two buildings destroyed by fire in Pittsfield's center that are now being rehabilitated with the help of the CARD program. When completed, the structure will contain retail and office space and contribute to Pittsfield's downtown revival.



Mastex Industries of Holyoke weaves, dyes, prints and finishes between 750,000 and 1 million meters of acetate and polyester fabric in one week. Using a \$500,000 bond to purchase modern equipment, the 43-year-old company increased its production and added 40 new employees to its workforce. Mastex is one of 163 companies in western Massachusetts which have received \$184.4 million in bonds since 1978, creating 5,930 jobs.





The city of Worcester remains an important center for industrial and commercial investment, as evidenced by over \$41 million in revenue bonds for 21 industrial companies. Also of major importance is \$15.6 million of CARD financing for revitalization of Worcester's central business dis-

trict, including a new Marriott Hotel and the complete rehabilitation of the American Supply Building (lower right). The success of commercial expansion depends in large part on strong industry. Worcester has successfully combined both elements in its economic resurgence.





**B**rackets for computer pieces are coated by a specialized electro-deposition process employed by L & J of New England, a small Worcester company formed in 1968. The procedure was developed for use in the computer and camera industries and is L & J's specialty. Guaranty Bank and Trust Company loaned the firm \$650,000 to finance this project, backed by a MIFA loan guaranty.

**I**n the heart of Worcester's downtown CARD, Winsor Associates is transforming the former American Supply Company building into prime office and commercial space. The renovation includes carving out a five-story atrium (shown below) in the center of the structure.









At this point it appears possible that Congress could require MIFA to guaranty bonds sold in pools. Fortunately, MIFA's loan guaranty program offers an established mechanism that could meet this challenge and keep reasonably priced expansion capital available to smaller businesses.

Whatever action Congress takes should be considered in light of the facts, not the rhetoric, concerning industrial revenue bonds. In an exhaustive study released by the Congressional Budget Office in 1981, the CBO found that:

- ☐ In recent years, two-thirds of all bonds have benefitted employers in the Frostbelt states, and over 90 percent of the bonds were for closely held firms not listed on any regional or national stock exchange. Despite all the attention devoted to large corporations, in fact only seven percent of the bond issues went to Fortune 1000 companies.
- ☐ Notwithstanding suggestions that bonds may cost the Treasury billions of dollars, the CBO estimated that if the entire program were eliminated, the government would raise only \$200 million additional revenue in fiscal year 1982, and only \$700 million in 1986. Other studies, including one at the University of Chicago Business School, have shown that bonds stimulate private investment and may actually *increase* the Treasury's spendable funds.
- ☐ The CBO estimated that also in 1986, revenue bonds would add over \$4 billion to the gross national product, including over \$2.2 billion in additional private salaries and wages.



Extensive renovation being completed on the "Simpson Block" is evidence of Lowell's exciting success in revitalizing its downtown. The CARD program has aided the rehabilitation of the entire block fronting on Merrimack Street in this famous city, site of the country's first Urban National Park. The latest project is following historical guidelines established by Lowell and the U.S. Department of Interior.

Mupac Corporation used an \$800,000 industrial revenue bond to finance its expansion and hire 12 new employees in Brockton. The company has grown at an average rate of 46 percent per year since its founding in 1972 when it began designing, manufacturing and marketing a complete system of micro-electronic packaging for use by design engineers. Part of the burgeoning high technology industry in Massachusetts, Mupac employs 70 people.





**P**halo/I.P.D., a manufacturer of insulated wire and cable for the computer and telecommunications industries, obtained a guaranteed \$1.5 million bond to construct a new 73,000 square foot manufacturing plant in Fall

River's Industrial Park. MIFA's loan guaranty played a pivotal role in this project – the first of a two-stage development which could add 400 jobs – along with financing through an Urban Development Action Grant, a

loan from the Massachusetts Business Development Corporation, and a tax-exempt bond purchased by a group of Fall River banks.





Data Translation was formed in 1973 to design, manufacture, and market analog-to-digital input/output devices for use in measurement and control applications for small computers. In 1981 this company received its third

MIFA-assisted low interest bond. As a result of its expansion in the Marlboro Industrial Park, the firm expects to double its employment.





Foreign companies showed their confidence in investing in Massachusetts during 1981 by establishing subsidiaries and divisions of their overseas operations. In order to produce ceramic cores for jet engines, a subsidiary of Doulton & Company, Ltd., based in the United Kingdom, built its

American headquarters in Peabody with the help of MIFA financing and an Urban Development Action Grant. Doulton Aerospace, Inc. shares its new production space with two other foreign manufacturers — one based in England and the other in Japan.







E J. Systems opened its doors on the first day of the "Great Blizzard of '78" with two employees. Today this manufacturer of electronic burn-in test equipment employs more than 125 people at its refurbished facility in Lawrence. Company

sales, originally projected at \$1.5 million for 1980, actually grew to \$5 million in that year and then doubled in 1981. "By enabling us to expand our workforce and provide additional space for needed new equipment, our plant, financed with industrial revenue

bonds contributed significantly to our sales growth," said E.J. Systems President Elmer B. Jones. This high technology start-up firm demonstrates the importance of encouraging new, innovative companies to grow and add jobs in the Commonwealth.

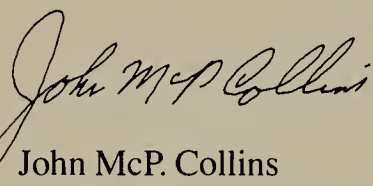


Clearly, industrial revenue bonds have provided an escape valve from the devastating effects of high interest rates for smaller, often highly leveraged companies and some real estate developments. This incentive has played an important role despite the fact that inflation has reduced the \$10 million window of eligibility to the point where today it is substantially smaller in real terms than the original \$5 million limit enacted by Congress in 1968.

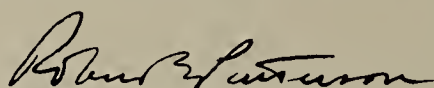
Based on our experience in Massachusetts we must strongly concur with the CBO's summary which noted that:

"If the Congress eliminated tax exemption on all small issue Industrial Revenue Bonds, some investments might not go forward. Others might move ahead, but changes in the amount and timing of investment would result. Smaller firms would be the ones most affected. Moreover, investment in distressed urban areas might decline because of the large number of UDAG projects that also receive IRB financing."

Whatever the future of industrial revenue bonds in Congress, we are proud of the contribution that a creative and responsible use of MIFA's incentive programs has made to the growth of the Massachusetts economy and the revival of its cities over the past three years. We are hopeful that Congress will enact reasonable restrictions that eliminate abuses without destroying an important incentive in a time of continuing high interest rates. And we are confident that MIFA will be able to meet the challenges of 1982.



John McP. Collins  
Chairman



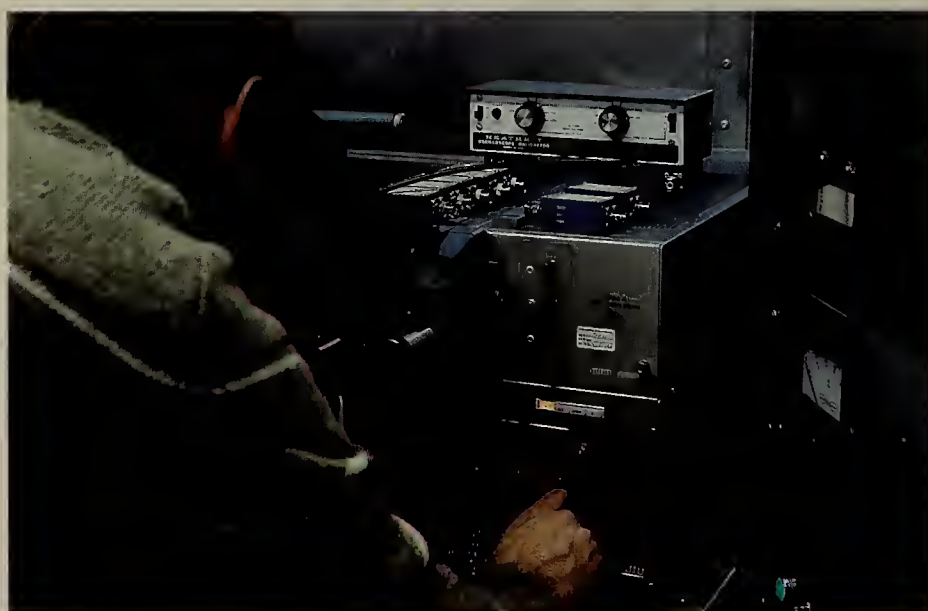
Robert E. Patterson  
Executive Director

January 20, 1982



The Royal Label Company anticipated continued development and constructed a new plant in Dorchester with a \$250,000 bond. The company is a small but prominent manufacturer of pressure sensitive labels which added 14 new jobs. Manufacturers comprise 69 percent of the total number of companies using MIFA incentives.

NASA and several airplane manufacturers hired a small Pittsfield research and development firm, Lightning Technologies, to research and test lightning dangers in the aerospace industry. In its new quarters, constructed with a low interest loan from the Berkshire Bank & Trust Company, Lightning Technologies can now accommodate whole airplanes to conduct its research. R & D firms using bonds totalling over \$49 million have created 2,191 jobs since MIFA's inception.



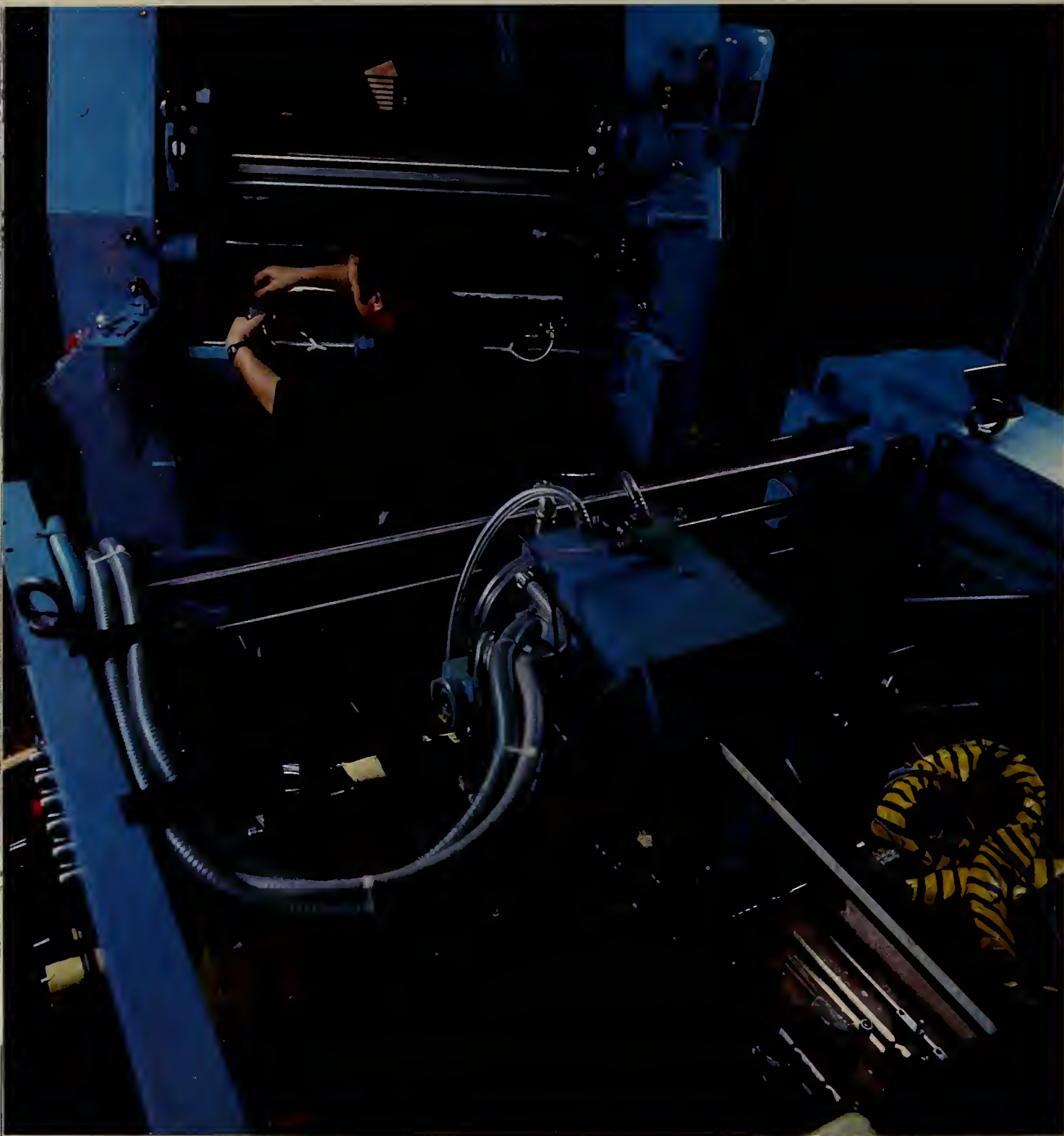




Low interest industrial bond financing was instrumental in forming a new company, United-Holyoke Corporation, a manufacturer of strand wire, shown above undergoing quality control. With ownership shared by a local wire cloth manufacturer and one based

in Scotland, the company purchased equipment and a plant adapted to meet the needs of its new venture. Massachusetts manufacturers purchased \$312 million in equipment through MIFA to remain competitive and increase employment in 1980 and 1981.





By investing in a four-color press, Fidelity Press of Everett added five new jobs. A \$600,000 bond purchased by New England Merchants National Bank helped this offset printing company increase its productivity in a highly competitive industry important to the Massachusetts economy.



Burtman Iron Works created 20 new jobs at its expanded facilities in Hyde Park. A \$500,000 bond aided Burtman in meeting its expansion goals in the manufacture of material handling equipment. Increasing employment is the prime requirement of companies receiving tax-exempt financing, and Burtman's efforts were part of the more than 20,000 new permanent jobs added in Massachusetts through MIFA projects in 1981.



MIFA came into existence on October 12, 1978 as successor to the Massachusetts Industrial Mortgage Insurance Agency (MIMIA). Under chapter 496 of the Acts of 1978 MIFA assumed all of the assets and liabilities of MIMIA, including the Insurance Reserve Fund. MIFA also inherited MIMIA's fiscal year ending on June 30th. Projects listed in this Annual Report include all loans insured by MIFA and MIMIA and all industrial revenue bonds given final approval by MIFA in 1981 for issuance by MIFA or local industrial development financing authorities. Employment is projected at the time of loan approval.

## Massachusetts Industrial Finance Agency Balance Sheets

	June 30,	1981	1980
Assets	Cash and cash equivalents (equivalents \$378,264 in 1981 and \$1,022,166 in 1980)	\$ 410,569	\$1,030,382
	Accounts receivable (Note D)	143,194	98,417
	Accrued interest receivable	130,477	38,243
	Investments at amortized cost (market \$1,322,277 in 1981) (Note E)	1,327,116	—
	Due from Insurance Fund	70,444	24,462
	Insurance Fund:		
	Time deposits	15,445	9,646
	Interest receivable	2,188	—
	Investments at amortized cost (market \$5,010,451 in 1981 and \$3,112,937 in 1980) (Note E)	5,140,941	3,048,480
	Prepaid expenses	2,793	1,670
	Fixed assets at cost, less accumulated depreciation ((\$9,401 in 1981 and \$3,800 in 1980)	101,193	19,588
	Other assets	14,875	11,875
	Bond fees due beyond one year	45,750	45,750
		<u>\$7,404,985</u>	<u>\$4,328,513</u>
Liabilities	Accounts payable and accrued expenses	70,386	37,483
	Current installments of long-term debt	1,763	1,113
	Total current liabilities	72,149	38,596
	Long-term debt (Note I)	2,413	3,436
	Other liabilities	1,996	10,500
	Advances from Commonwealth of Massachusetts (Note F)	273,000	273,000
	Insurance Fund:		
	Unearned premiums	27,694	20,577
	Due to Operating Fund	70,444	24,462
Retained Earnings and Insurance Fund	Commitments (Note H)		
	Insurance Fund (Notes C, G, and K)	5,060,436	3,013,087
	Retained earnings	1,896,853	944,855
	Total retained earnings and Insurance Fund	<u>6,957,289</u>	<u>3,957,942</u>
		<u>\$7,404,985</u>	<u>\$4,328,513</u>

The accompanying notes are an integral part of the financial statements.

Massachusetts Industrial Finance Agency  
Statements of Revenue and Expense and Retained Earnings

For the years ended June 30,		1981	1980
Revenue	Interest	\$ 693,528	\$ 344,962
	Industrial revenue bond fees	871,950	754,519
	Mortgage insurance fees	19,739	36,466
		<u>1,585,217</u>	<u>1,135,947</u>
Expense	Payroll and fringe benefits	334,529	230,810
	Office	76,564	42,578
	Rent and utilities	35,707	17,035
	Telephone	15,182	11,148
	Postage	9,447	5,667
	Travel	22,509	8,168
	Professional fees	100,149	57,663
	Provision for accounts receivable reserve (Note D)	10,000	—
	Trustee fees	500	792
	Depreciation	7,166	2,497
	Other	20,866	14,199
	Insurance loss adjustment	600	2,620
		<u>633,219</u>	<u>393,177</u>
	Excess of revenues over expenses	951,998	742,770
	Retained earnings, beginning of period	944,855	202,085
	Retained earnings, end of period	<u>\$1,896,853</u>	<u>\$ 944,855</u>

Massachusetts Industrial Finance Agency  
Statements of Changes in Insurance Fund

For the years ended June 30, 1981 and 1980			
	Insurance Fund	Insurance Operations	Total
Balance, July 1, 1979	\$2,000,000	\$(7,323)	\$1,992,677
Appropriation from Commonwealth	1,000,000		1,000,000
Premiums earned		20,410	
Excess of revenues over expenses		20,410	20,410
Balance, June 30, 1980	<u>3,000,000</u>	<u>13,087</u>	<u>3,013,087</u>
Appropriation from Commonwealth	2,000,000		2,000,000
Premiums earned		47,349	
Excess of revenues over expenses		47,349	47,349
Balance, June 30, 1981	<u>\$5,000,000</u>	<u>\$60,436</u>	<u>\$5,060,436</u>

The accompanying notes are an integral part of the financial statements.



Massachusetts Industrial Finance Agency  
Statements of Changes in Financial Position

	For the years ended June 30,	1981	1980
Financial resources were provided by	Excess of revenues over expenses from operations	\$ 951,998	\$ 742,770
	Increases from operations not requiring funds:		
	Depreciation	7,166	2,497
	Provision for receivable reserve	10,000	—
	Increases (decreases) from operations:		
	Accounts receivable	(54,777)	(70,178)
	Accrued interest receivable	(92,234)	(17,162)
	Prepaid expenses	(1,123)	192
	Bond fees due beyond one year	—	(45,750)
	Other assets	(3,000)	(10,500)
	Accounts payable and accrued expenses	32,903	14,778
	Other liabilities	(8,504)	10,500
	Current installments of long-term debt	650	—
	Total from operations	843,079	627,147
	Appropriation from Commonwealth	2,000,000	1,000,000
	Excess of revenue from Insurance Fund	47,349	20,410
	Increases (decreases) from Insurance Fund:		
	Interest receivable	(2,188)	—
	Unearned premiums	7,117	9,196
	Loss reserve	—	(13,274)
	Total from operations and Insurance Fund	2,895,357	1,643,479
	Long-term debt	(1,023)	(1,020)
	Advances from Commonwealth of Massachusetts	—	70,000
		<u>\$2,894,334</u>	<u>\$1,712,459</u>
Financial resources were applied to	Purchase of fixed assets	88,771	5,566
	Purchase of investments, net	1,327,116	—
	Insurance Fund:		
	Time deposits	5,799	(9,239)
	Change in investments, net	2,092,461	1,050,033
		3,514,147	1,046,360
	Change in cash	(619,813)	666,099
		<u>\$2,894,334</u>	<u>\$1,712,459</u>

The accompanying notes are an integral part of the financial statements.



Massachusetts Industrial Finance Agency  
Notes to Financial Statements

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A. Significant Accounting Policies

*Revenue Recognition*

The Agency records mortgage insurance application and commitment fees as revenue when received, and industrial revenue bond application and processing fees upon approval of the bond issue. Interest income is recorded as earned. Premium income is earned ratably (monthly pro rata) over the life of the insurance agreement.

*Depreciation*

Fixed assets are depreciated on the straight-line basis over an estimated useful life of 10 years.

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B. Organization

The Agency was created in 1976 under Chapter 23A, Sections 29-35 (as amended) of the Massachusetts General Laws as a public corporation and government instrumentality to stimulate industrial growth and economic development by the insuring of industrial mortgage loans and revenue bonds and the approval and/or issue of industrial revenue bonds. The Agency is governed by a Board of Directors consisting of nine members, six of whom are appointed by the Governor from the private sector and three of whom are public officials. The State Statute requires the Directors to make certain specific findings before approving the issuance of any tax-exempt industrial revenue bond issued by the Agency or a local industrial development financing authority. Industrial revenue bonds approved or issued by the Agency must comply with certain federal and state statutes. Such bonds are the obligation of the entity on whose behalf the bonds are issued; neither the Agency, the Commonwealth, nor any local authority pledges its credit to repayment. Certain loans or bonds, however, are partially insured by the Agency.

Before any loan or bond may be insured, the Board must also satisfy itself with regard to a number of findings, including certain limitations as to the amount of insurance that may be issued with respect to an individual loan and in the aggregate for all loans.

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C. Insurance Fund

The Insurance Fund was established pursuant to Section 33 of Chapter 23A for the purpose of providing security to the holders of insured industrial mortgage loans or revenue bonds. Premium income received and state appropriations or other monies made available to the fund are credited thereto. Interest income earned by the fund is credited to operations.

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D. Accounts Receivable

The accounts receivable balance at June 30, 1981 is net of a reserve in the amount of \$10,000. This reserve has been established as a provision for receivables attributable to bond issues which, though approved, may not be issued due to unusual circumstances.



## E. Investments

Since 1976, the Commonwealth has appropriated \$5,000,000 for the Insurance Fund. Funds may be invested in certificates of deposit of banks or trust companies in the Commonwealth with certain minimum requirements of capital and surplus or in obligations of the United States Government or its agencies which are guaranteed by the United States. Market value of U.S. Government securities is based upon published references.

At June 30, 1981, investments of the Insurance Fund included:

Par Value	Maturity Date	Interest Rate	Cost	Market Value
<i>U.S. Treasury Notes</i>				
\$ 55,000	November 30, 1981	12.125%	\$ 55,205	\$ 54,278
\$ 500,000	May 15, 1982	8.00	490,512	473,438
\$ 500,000	October 31, 1981	12.625	501,553	495,313
\$ 500,000	November 15, 1982	7.875	484,283	460,625
\$ 500,000	June 30, 1983	8.875	488,364	453,125
\$1,000,000	August 15, 1981	7.625	997,651	989,063
\$ 780,000	March 31, 1984	14.25	805,905	782,194
\$ 495,000	December 31, 1984	14.00	500,670	489,431
\$ 300,000	February 28, 1983	13.875	299,600	295,594
\$ 467,000	May 15, 1985	14.375	469,820	470,211
<i>U.S. Treasury Bills</i>				
\$ 50,000	December 3, 1981	12.27	47,378	47,179
			<u>\$5,140,941</u>	<u>\$5,010,451</u>

At June 30, 1981, investments of the Operating Fund included:

Par Value	Maturity Date	Interest Rate	Cost	Market Value
<i>U.S. Treasury Notes</i>				
\$ 295,000	October 31, 1981	12.625%	\$ 294,597	\$ 292,234
\$ 375,000	February 28, 1982	13.875	378,176	372,188
<i>Certificates of Deposit</i>				
\$ 200,000	September 2, 1981	15.25	200,000	200,000
<i>U.S. Treasury Bills</i>				
\$ 220,000	December 31, 1981	13.45	205,077	205,613
\$ 280,000	April 22, 1982	13.53	249,266	252,242
			<u>\$1,327,116</u>	<u>\$1,322,277</u>

## F. Advances from Commonwealth of Massachusetts

The Agency has received \$273,000 from The Commonwealth of Massachusetts to support operations during the development of the Agency. The Agency intends to refund such funds to the Commonwealth in the future.

## G. Insurance In Force, Industrial Revenue Bonds Issued and Outstanding Commitments

At June 30, 1981, insurance in force aggregated approximately \$3,380,252 and there were outstanding commitments amounting to \$1,832,500 to insure a portion of additional loans. The Agency issued revenue bonds aggregating \$165,102,330 during fiscal year 1980 and was committed to issue an additional \$343,109,410 of such bonds at June 30, 1981. Further, the Agency had approved the issuance by local industrial development financing authorities of an additional \$241,404,000 of revenue bonds during the year ended June 30, 1981.

H. Rental Commitments	<p>Effective March 13, 1981, the Agency commenced a five-year lease for office space with an annual rental cost approximating \$70,000. Prior to March, the Agency shared office space, as a tenant at will, with Massachusetts Community Development Finance Corporation. The Agency's office rental expense was \$30,691 and \$15,751 for the years ended June 30, 1981 and 1980, respectively.</p> <p>In 1981, the Agency began leasing certain of its office equipment under various operating leases which expire over the next four years. Future minimum rental payments under office equipment operating leases amount to \$13,437 for 1982, \$10,360 for 1983, \$1,128 for 1984 and \$752 for 1985. Total rental expense under these operating leases, which commenced in 1981, amounted to \$3,980 in 1981.</p>
I. Long-Term Debt	The Agency has entered into a 7.25% note payable agreement expiring June 30, 1984, with monthly payments of principal and interest of \$93.
J. Deferred Compensation Plan	The Agency has a deferred compensation program wherein employees may elect to have their annual bonus deferred until retirement, termination, death or disability. Approximately \$3,100 was charged to expense for the deferred compensation plan in 1980.
K. Subsequent Event	On August 6, 1981, the Commonwealth appropriated an additional \$2,500,000 for the Insurance Fund. The appropriation was granted with the stipulation that the funds be matched by the Agency using a ratio of one dollar of Agency funds for each five dollars of the appropriation.

## Auditor's Report

To the Board of Directors of  
Massachusetts Industrial Finance Agency:

We have examined the balance sheets of Massachusetts Industrial Finance Agency as of June 30, 1981 and 1980 and the related statements of revenue and expense and retained earnings, changes in Insurance Fund and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Massachusetts Industrial Finance Agency at June 30, 1981 and 1980 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Coopers & Lybrand*

Boston, Massachusetts  
August 14, 1981



1981 Projects Approved for Industrial Revenue Bonds

Company	Location	Board Approval	Loan	Jobs	Company	Location	Board Approval	Loan	Jobs
Advanced Materials Systems, Inc.	N. Attleboro	1/8/81	\$ 1,300,000	24	The Foxboro Company	E. Bridgewater	2/5/81	\$ 1,000,000	16
Lea Manufacturing Co.	Fall River IDFA	1/8/81	\$ 525,000	100	Lipman Brothers, Inc.	Gloucester	2/5/81	\$ 1,000,000	68
Dike Realty Trust	Boston IDFA	1/8/81	\$ 675,000	15	Synthon Industries, Inc.	Chelsea IDFA	2/5/81	\$ 2,200,000	15
Doulton Aerospace, Inc.	Peabody	1/8/81	\$ 1,300,000	141	The Foxboro Company	Foxboro	2/5/81	\$ 1,000,000	300
Anhydro, Inc.	N. Attleboro	1/8/81	\$ 185,000	14	Carousel Fashions, Inc.	Canton IDFA	2/5/81	\$ 570,000	35
Mack Boring & Parts Co.	Braintree	1/8/81	\$ 800,000	20	Polyvinyl Films, Inc.	Sutton	2/5/81	\$ 285,000	30
Laser Incorporated	Sturbridge	1/8/81	\$ 790,000	28	Trubor Manufacturing Co.	West Boylston IDFA	2/5/81	\$ 1,100,000	31
Savoy Leather	Haverhill	1/8/81	\$ 974,700	50	Boston Insulated Wire & Cable Co.	Boston, Plymouth, N. Dighton	2/5/81	\$ 1,600,000	60
Greenleaf Realty Trust	Quincy IDFA	1/8/81	\$ 660,000	75	Paul D. Cassanelli	W. Springfield	2/5/81	\$ 150,000	1
Providence & Worcester Railroad Co.	Worcester IDFA	1/8/81	\$ 1,000,000	10	310 McClellan Highway Realty Trust	Boston IDFA	2/5/81	\$ 800,000	20
Plymouth Rubber Co.	Canton IDFA	1/8/81	\$ 950,000	4	C.P. Bourg, Inc.	New Bedford IDFA	2/5/81	\$ 1,400,000	20
F.A. Bassette Co.	Springfield IDFA	1/8/81	\$ 1,000,000	10	Dampney Company	Everett	2/5/81	\$ 376,000	8
Microfab, Inc.	Amesbury IDFA	1/8/81	\$ 2,750,000	100	Country Curtains, Inc.	South Lee	2/5/81	\$ 1,700,000	20
Smith Janikies & Eisenhaur, Inc.	Medford	1/8/81	\$ 480,000	3	David E. Thompson, Inc.	Weymouth	2/5/81	\$ 262,500	6
Tuxedo Realty Assoc.	Worcester IDFA	1/8/81	\$ 750,000	50	Pope Machinery, Inc.	Haverhill IDFA	2/5/81	\$ 1,500,000	20
Mercer Paper Tube Co.	Lawrence IDFA	1/8/81	\$ 1,000,000	*	Eastern Container Co.	Springfield IDFA	2/5/81	\$ 745,000	3
The Foxboro Company	Brockton IDFA	1/8/81	\$ 1,000,000	200	George Melhado & Co.	Sharon	2/5/81	\$ 890,000	20
K & M Electronics	W. Springfield	1/8/81	\$ 1,795,000	197	ECC Corporation	Holden IDFA	2/5/81	\$ 2,250,000	50
Wright Line, Inc.	Auburn IDFA	1/8/81	\$ 2,050,000	8	USM Corporation	Beverly IDFA	2/5/81	\$ 975,000	8
David C. Wells	Fitchburg IDFA	1/8/81	\$ 250,000	5	Shaheen Brothers, Inc.	Lawrence IDFA	2/5/81	\$ 525,000	15
Gloucester Shrimp Co.	Lynn IDFA	1/8/81	\$ 1,000,000	41	W.F. Wood Engineering Corp.	Holliston	2/5/81	\$ 1,750,000	100
Daymarc Corp.	Waltham	1/8/81	\$ 1,300,000	100	Vanzetti Infrared & Computer Systems, Inc.	Stoughton IDFA	2/5/81	\$ 995,000	55
Astro Wire & Cable Corp.	Worcester IDFA	1/8/81	\$ 800,000	10	Lightning Technologies, Inc.	Pittsfield	3/11/81	\$ 160,000	4
Meehan and Company	Clarksburg	1/8/81	\$ 280,000	9	Comet Products, Inc.	Chelmsford IDFA	3/11/81	\$ 2,000,000	22
Bookstore Building	Springfield IDFA	1/8/81	\$ 800,000	57	Biogen, Inc.	Cambridge	3/11/81	\$ 4,500,000	100
Lundquist Tool & Manufacturing Co.	Worcester IDFA	1/8/81	\$ 1,200,000	40	Ingram Second Corp.	Fitchburg	3/11/81	\$ 500,000	71
United Holyoke Corp.	Holyoke IDFA	1/8/81	\$ 260,000	11	The Flatley Company	Danvers	3/11/81	\$ 990,000	100
United Holyoke Corp. <sup>2</sup>	Holyoke IDFA	1/8/81	\$ 360,000		Johnny Appleseed's, Inc.	Beverly IDFA	3/11/81	\$ 2,000,000	55
United Holyoke Corp. <sup>3</sup>	Holyoke IDFA	1/8/81	\$ 360,000		R & S Realty Trust	Braintree	3/11/81	\$ 1,100,000	44
The Prince Co.	Lowell IDFA	1/8/81	\$ 1,000,000	15	A.R. Sandri, Inc.	Greenfield IDFA	3/11/81	\$ 525,000	13
Three Way Corporation	Westboro IDFA	1/8/81	\$ 1,550,000	10	LTX Corporation	Westwood	3/11/81	\$ 585,000	*
Ralph Pill Electrical Supply Co.	Lawrence IDFA	1/8/81	\$ 627,000	15	Industrial Metal Products Co.	Sharon	3/11/81	\$ 390,000	12
Sanitoy, Inc.	Fitchburg IDFA	1/8/81	\$ 500,000	7	Walworth/Star Markets	Canton IDFA	3/11/81	\$ 1,800,000	175
Mercury Wire Products, Inc.	Spencer IDFA	1/8/81	\$ 990,000	22	Christmas Tree Shops, Inc.	Yarmouth	3/11/81	\$ 850,000	6
Zayre/Clinton Trading Corp.	Clinton IDFA	1/8/81	\$ 2,600,000	150	Russia Wharf Company	Boston IDFA	3/11/81	\$ 7,000,000	800
Beacon Publishing Co.	Acton	2/5/81	\$ 1,800,000	20	Aunyx Corporation	Hingham	3/11/81	\$ 600,000	10
Cole-Hersee Company	Boston	2/5/81	\$ 700,000	185*	Pynchon Associates	Springfield IDFA	3/11/81	\$ 2,100,000	100
KMA, Inc.	Mansfield IDFA	2/5/81	\$ 1,300,000	20	E.H. Allen Company, Inc.	Somerville	3/11/81	\$ 200,000	6
Lusignan Brothers, Inc.	Worcester IDFA	2/5/81	\$ 200,000	10	Wheeler Manufacturing Corp.	Cambridge	3/11/81	\$ 327,900	10
Damco, Inc.	Watertown IDFA	2/5/81	\$ 750,000	136	Modern Contract Furniture, Inc.	Gardner IDFA	3/11/81	\$ 325,000	8
The Commerce Insurance Co.	Webster IDFA	2/5/81	\$ 1,500,000	77	Stoughton Realty Trust	Stoughton IDFA	3/11/81	\$ 3,000,000	34
American Pad & Paper Co.	Holyoke IDFA	2/5/81	\$ 1,100,000	20					
Saxon Theatre Corp.	Somerville	2/5/81	\$ 1,600,000	56					
Eastern Manufacturing Corp.	Amesbury IDFA	2/5/81	\$ 300,000	10					
Richard H. Fullam	W. Springfield	2/5/81	\$ 700,000	1					
Datacon, Inc. - The Wire Wrappers	Burlington	2/5/81	\$ 450,000	24					

Company	Location	Board Approval	Loan	Jobs
L & P Converters, Inc.	Charlton	3/11/81	\$ 157,500	30
LTX Corporation	Newton	3/11/81	\$ 410,000	50
E.J. Systems, Inc.	Lawrence IDFA	3/11/81	\$ 415,000	225
Third National Bank of Hampden County	W. Springfield	3/11/81	\$ 1,500,000	100
Newly Weds Foods, Inc.	Watertown IDFA	3/11/81	\$ 6,000,000	140
Vacuum Tube Industries, Inc.	Brockton IDFA	3/11/81	\$ 250,000	45
L. Farber Company, Inc.	Worcester IDFA	3/11/81	\$ 3,000,000	25
Lawrence Pumps, Inc.	Lawrence IDFA	3/11/81	\$ 1,200,000	50
Cambridge Machined Products, Inc.	Somerville	3/26/81	\$ 900,000	15
Universal Computer Assoc.	Hopkinton IDFA	4/2/81	\$ 200,000	10
John & Laura Burke	Lowell IDFA	4/2/81	\$ 500,000	45
Amsterdam Bedding Co.	Holbrook	4/2/81	\$ 1,250,000	50
Alpha Industries, Inc.	Woburn IDFA	4/2/81	\$ 995,000	250
Communication Cable of Massachusetts, Inc.	Attleboro	4/2/81	\$ 400,000	67
Houghton & Richards, Inc.	Marlboro IDFA	4/2/81	\$ 573,500	4
American Lighting Fixture Corp.	Arlington IDFA	4/2/81	\$ 300,000	7
Instrumentation Laboratory, Inc.	Watertown IDFA	4/2/81	\$ 1,000,000	40
Capital Contracting Corp.	Avon IDFA	4/2/81	\$ 900,000	55
I.M.P. Fishing Gear, Ltd.	New Bedford IDFA	4/2/81	\$ 500,000	20
Everflex Products, Inc.	Ludlow IDFA	4/2/81	\$ 450,000	25
Robert Fibre Box, Inc.	Northampton IDFA	4/2/81	\$ 550,000	5
Spears Associates, Inc.	Norwood	4/2/81	\$ 1,307,000	52
Leominster Savings Bank	Leominster	4/2/81	\$ 1,300,000	30
Pioneer Packaging, Inc.	Chicopee IDFA	4/2/81	\$ 300,000	5
S.S. Pierce Co.	Peabody	4/2/81	\$ 5,000,000	10
S. Rothschild & Co.	Fall River IDFA	4/2/81	\$ 1,400,000	150
South Shore Publishing Co.	N. Scituate	4/2/81	\$ 975,000	15
Advance Manufacturing Co.	Westfield IDFA	4/2/81	\$ 600,000	5
Steve Connolly Seafood Co.	Boston IDFA	4/2/81	\$ 600,000	45
Data Translation, Inc.	Marlboro IDFA	4/2/81	\$ 375,000	85
Fitz Rainwear, Inc.	New Bedford IDFA	4/2/81	\$ 1,320,000	300
American Industrial & Medical Products, Inc.	Auburn IDFA	4/2/81	\$ 800,000	10
Waters Associates, Inc.	Taunton IDFA	4/2/81	\$ 3,000,000	20
Turner Steel Company	W. Bridgewater IDFA	4/2/81	\$ 475,000	2
Penco Industries, Inc.	New Bedford	4/2/81	\$ 290,000	12
Micromatic Products Co.	N. Andover IDFA	4/13/81	\$ 600,000	5
Louise's Home Style Ravioli Co.	Revere	4/13/81	\$ 560,000	*
26 West Street Assoc.	Boston IDFA	5/7/81	\$ 649,000	44
Valpey-Fisher Corp.	Hopkinton IDFA	5/7/81	\$ 725,000	50
Chemet Corp.	Attleboro	5/7/81	\$ 1,200,000	14
Aster and Aris Engineering Corp.	Haverhill IDFA	5/7/81	\$ 2,850,000	150
C&P Realty Trust	N. Andover IDFA	5/7/81	\$ 292,000	2

Company	Location	Board Approval	Loan	Jobs
Boston Edison Co.	Everett	5/7/81	\$ 15,000,000	
DHH Realty Trust	Boston IDFA	5/7/81	\$ 3,300,000	300
Microsonics, Inc.	Weymouth	5/7/81	\$ 1,300,000	225*
Compugraphic Corp.	Wilmington	5/7/81	\$ 1,000,000	9
Deacon Machinery, Inc.	N. Adams IDFA	5/7/81	\$ 650,000	52
Helix Wire Corp.	Leominster	5/7/81	\$ 425,000	12
Peter Picknelly/American Coach Works	Springfield IDFA	5/7/81	\$ 580,000	65
Franklin Sports Industries, Inc.	Stoughton IDFA	5/7/81	\$ 1,500,000	44
Betac Corp.	Billerica IDFA	5/7/81	\$ 1,000,000	170
Sarama Lighting of Mass., Inc.	Fall River IDFA	5/7/81	\$ 2,000,000	100
Unitrode Corporation	Watertown IDFA	5/7/81	\$ 1,000,000	10
Premier Corrugated Box Co.	Fitchburg IDFA	5/7/81	\$ 165,000	50
Shipton Development Co.	Pittsfield	5/7/81	\$ 400,000	
Polyclon, Inc.	Woburn IDFA	5/7/81	\$ 800,000	9
Vac-Hyd Processing Corp.	Danvers	5/7/81	\$ 500,000	14
Granger-Lynch Corp.	Millbury IDFA	5/7/81	\$ 2,000,000	35
Specialty Polymers, Inc.	Leominster IDFA	5/7/81	\$ 1,500,000	16
Hersey Products, Inc.	Dedham	5/7/81	\$ 600,000	6
American Pad and Paper Company	Holyoke IDFA	5/7/81	\$ 400,000	*
Excelsior Process and Engraving, Inc.	N. Adams IDFA	5/7/81	\$ 350,000	10
L & J of New England, Inc.	Worcester IDFA	5/7/81	\$ 650,000	10
Jordan Furniture Co.	Newton	5/7/81	\$ 1,500,000	*
Vogform Tool & Die Co.	W. Springfield	5/7/81	\$ 300,000	5
Pond-Ekberg Co.	Chicopee IDFA	5/7/81	\$ 750,000	*
Pierce Aluminum Co.	Canton IDFA	5/7/81	\$ 350,000	12
Physical Sciences, Inc.	Andover IDFA	5/7/81	\$ 1,150,000	26
Neil Brown Instrument Systems, Inc.	Cataumet	5/7/81	\$ 840,000	27
Shawmut Advertising, Inc.	Chelsea IDFA	5/7/81	\$ 260,000	13
Excel Dryer Corp.	E. Longmeadow IDFA	5/7/81	\$ 250,000	10
Capeway Seafoods, Inc.	New Bedford IDFA	6/4/81	\$ 2,420,000	50
Stadium Corp.	Leominster	6/4/81	\$ 500,000	*
Callico Distributors, Inc.	Canton IDFA	6/4/81	\$ 700,000	4
Clarks Tire & Auto	W. Springfield	6/4/81	\$ 200,000	4
Bergen-Paterson Pipesupport Corp.	Woburn IDFA	6/4/81	\$ 300,000	20
Daniel P. Leahy	Lowell IDFA	6/4/81	\$ 430,000	40
Design Mark Corp.	Wareham	6/4/81	\$ 500,000	12
Main Street Assoc.	Fitchburg	6/4/81	\$ 550,000	
Adams-Russell Co.	Waltham	6/4/81	\$ 1,035,000	125
Lee Products Co.	Everett	6/4/81	\$ 475,000	15



Company	Location	Board Approval	Loan	Jobs
Eddie Goodman Co.	Haverhill IDFA	6/4/81	\$ 600,000	33
Frequency Sources, Inc.	Chelmsford IDFA	6/4/81	\$ 1,000,000	50
Edaron Incorporated	Holyoke IDFA	6/4/81	\$ 450,000	15
Faymot Realty Trust	Peabody	6/4/81	\$ 250,000	20
Kennett Corporation	Westboro IDFA	6/4/81	\$ 1,070,000	15
Work Opportunity Center, Inc.	W. Springfield	6/4/81	\$ 245,000	8
Fairfield Optical Co.	Mansfield IDFA	6/4/81	\$ 350,000	30
SS Pennock Co.	W. Springfield	6/4/81	\$ 300,000	3
Adams-Russell Co.	Amesbury	6/4/81	\$ 1,760,000	100
Robbins Manufacturing Co.	Fall River IDFA	6/4/81	\$ 480,000	6
Artted Land Company	Springfield IDFA	6/4/81	\$ 1,000,000	20
Morse Shoe, Inc.	Brockton	6/4/81	\$ 6,750,000	160
Albert Steiger, Inc.	Springfield IDFA	6/4/81	\$ 1,500,000	50
Seiler Corp.	Waltham	6/4/81	\$ 620,000	70
Jen-Coat, Inc.	Westfield IDFA	6/4/81	\$ 1,850,000	15
Rubber & Plastics Corp.	Lawrence IDFA	6/4/81	\$ 1,000,000	15
Adams-Russell Co.	Burlington	6/4/81	\$ 405,000	50
Charleswater Products, Inc.	Newton	6/4/81	\$ 500,000	5
Ade Corporation	Newton	6/4/81	\$ 1,610,000	98
Studley Press, Inc.	Dalton	6/4/81	\$ 262,300	10
Viking Seafoods, Inc.	Malden	6/4/81	\$ 1,000,000	40
WWF Paper Corp.	Boston	6/4/81	\$ 1,200,000	20
W.C. Bonner Co.	Watertown IDFA	6/4/81	\$ 600,000	12
Collier-Keyworth Co.	Gardner IDFA	7/2/81	\$ 750,000	12
Shovel Shop Square	N. Easton	7/2/81	\$ 500,000	70
Falk and White, Inc.	Methuen IDFA	7/2/81	\$ 565,000	15
Conductron Corporation	Leominster	7/2/81	\$ 1,300,000	30
Benda Products, Inc.	Canton IDFA	7/2/81	\$ 575,000	5
Stafford Manufacturing Corp.	Woburn IDFA	7/2/81	\$ 300,000	18
Delta Electronics Manufacturing Corp.	Beverly IDFA	7/2/81	\$ 900,000	200
Terra-Light, Inc.	Danvers	7/2/81	\$ 4,000,000	13
Omni Communications	Lynn IDFA	7/2/81	\$ 450,000	15
Chu Associates, Inc.	Boxboro	7/2/81	\$ 250,000	15
Hotwatt, Inc.	Danvers	7/2/81	\$ 450,000	38
Aqua Laboratories	Amesbury IDFA	7/2/81	\$ 175,000	2
W.H. Nichols Company	Waltham	7/2/81	\$ 1,000,000	15
Electro Circuits, Inc.	Lowell IDFA	7/2/81	\$ 1,500,000	60
Autoparts Wholesalers, Inc.	Pittsfield IDFA	7/2/81	\$ 150,000	8
Chapman Manufacturing Co.	Avon IDFA	7/2/81	\$ 780,000	*
Lorell, Inc.	Avon IDFA	7/2/81	\$ 1,750,000	30
Electrowatt Holdings, Inc.	Medway IDFA	7/2/81	\$ 7,500,000	70
Metal Bellows Corp.	Sharon	7/2/81	\$ 1,000,000	60
Emerson-Swan, Inc.	Norwood IDFA	7/2/81	\$ 1,700,000	8
Coca-Cola Bottling Co.	Greenfield IDFA	7/2/81	\$ 400,000	15
Coca-Cola Bottling Co.	Pittsfield IDFA	7/2/81	\$ 400,000	3
Wolverine Corporation	Merrimac	7/2/81	\$ 900,000	25
Morse Shoe, Inc.	Brockton	7/2/81	\$ 1,500,000	160

Company	Location	Board Approval	Loan	Jobs
Shatz, Schwartz & Fentin	Springfield	7/2/81	\$ 250,000	3
Palmer Manufacturing	Malden	7/2/81	\$ 1,265,000	12
Chemlawn	N. Andover IDFA	7/2/81	\$ 410,000	38
Watson Mailing Service, Inc.	Chelsea IDFA	7/2/81	\$ 525,000	20
Sea View Fillet Co.	New Bedford IDFA	8/6/81	\$ 350,000	30
Henry Wolfers, Inc.	Boston IDFA	8/6/81	\$ 1,100,000	6
Astrofoam, Inc.	Worcester IDFA	8/6/81	\$ 500,000	25
Fidelity Press, Inc.	Everett	8/6/81	\$ 500,000	5
Glines and Rhodes, Inc.	Attleboro	8/6/81	\$ 525,000	12
T.W. Kutter, Inc.	Avon IDFA	8/6/81	\$ 1,200,000	5
FREM Corporation	Worcester IDFA	8/6/81	\$ 1,500,000	25
Setra Systems, Inc.	Acton	8/6/81	\$ 400,000	20
International Vacuum	Pembroke	8/6/81	\$ 320,000	12
Marissa Ltd.	N. Attleboro IDFA	8/6/81	\$ 1,000,000	20*
The Timross Co., Inc.	Ashland	8/6/81	\$ 215,000	9
Superior Pet Products	Plymouth IDFA	8/6/81	\$ 2,250,000	30*
Western Mass. Tobacco & Candy Co.	W. Springfield	8/6/81	\$ 240,000	6
State Line Snacks Corp.	Wilbraham IDFA	8/6/81	\$ 1,100,000	34
White Rock Products Corp.	New Bedford IDFA	8/6/81	\$ 550,000	5
Dionne-Envitrol Corp.	Leominster IDFA	8/6/81	\$ 250,000	4
Arley Merchandise	Taunton IDFA	8/6/81	\$ 1,730,000	200
J.C. Tarbell Assoc., Inc.	E. Longmeadow IDFA	8/6/81	\$ 350,000	15
Henry and Frick, Inc.	Bridgewater	8/6/81	\$ 1,000,000	75
Agway, Inc.	Bernardston	8/6/81	\$ 2,000,000	11
Industrial Cab Co., Inc.	Beverly IDFA	8/6/81	\$ 520,000	15
Parker/Dawson Corp.	Hingham	8/6/81	\$ 250,000	9
Jay-Lee Food Distributors, Inc.	Springfield IDFA	8/6/81	\$ 225,000	2
Burton Tool & Die Co., Inc.	Leominster	8/6/81	\$ 1,000,000	35
North East Cutting Die Corp.	Lynn IDFA	8/6/81	\$ 175,000	20
Roman Plastics Co., Inc.	Wareham	8/6/81	\$ 333,000	3
Mastex Industries, Inc.	Holyoke IDFA	8/6/81	\$ 500,000	40
Sanborn's Motor Express	Wrentham	8/6/81	\$ 550,000	20
Burke Warehouse Inc.	Randolph	8/6/81	\$ 2,500,000	25
Laminated Papers, Inc.	Holyoke IDFA	8/6/81	\$ 1,500,000	14
Curtlo Realty Trust	Marshfield IDFA	8/6/81	\$ 2,500,000	135
Wang Laboratories, Inc.	Tewksbury IDFA	8/6/81	\$ 1,000,000	100
Barcolene Company	Holbrook	8/6/81	\$ 1,530,000	40
Shipley Company, Inc.	Marlborough IDFA	8/6/81	\$ 1,925,000	10
Lydia Pinkham Trust	Lynn IDFA	8/6/81	\$ 275,000	30
Francer Industries, Inc.	E. Weymouth	8/6/81	\$ 525,000	10
NB Central Development	New Bedford IDFA	8/6/81	\$ 450,000	
Mid Atlantic Cannery	Northampton IDFA	8/6/81	\$ 3,800,000	53
A.W. Mayer Co., Inc.	Billerica IDFA	8/6/81	\$ 800,000	17

Company	Location	Board Approval	Loan	Jobs
Wang Laboratories, Inc.	Lowell IDFA	8/6/81	\$ 1,000,000	100
Standard of Lynn, Inc.	Lynn IDFA	9/3/81	\$ 1,100,000	5
Danit Corporation	Worcester IDFA	9/3/81	\$ 800,000	60
Elscont, Inc.	Brookline	9/3/81	\$ 3,610,000	140
Atlas Distributing Corp.	Auburn IDFA	9/3/81	\$ 1,300,000	25
Brimfield Precision, Inc.	Brimfield	9/3/81	\$ 460,000	32
George B.H. Macomber	Boston	9/3/81	\$ 925,000	265
Interpretive Data Systems, Inc.	Brookline	9/3/81	\$ 1,540,000	150
Parlex Corporation.	Methuen IDFA	9/3/81	\$ 3,000,000	235
M & H Engineering, Inc.	Danvers	9/3/81	\$ 255,000	15
Molecudyne, Inc.	Cambridge	9/3/81	\$ 160,000	7
Reynolds-Dewalt	New Bedford IDFA	9/3/81	\$ 1,250,000	20
Vizwiz, Inc.	Brookline	9/3/81	\$ 1,050,000	5
Crane & Company, Inc.	Pittsfield IDFA	9/3/81	\$ 1,300,000	5
Precision Metal Products Co.	Peabody	9/3/81	\$ 1,500,000	50
Sea-Lect Foods, Inc.	New Bedford	9/3/81	\$ 1,500,000	50
National Door Corp.	Needham	9/3/81	\$ 600,000	15
QPL Electronic Distributors, Inc.	Burlington	9/3/81	\$ 1,745,000	37
Lundy Food Purveyors, Inc.	N. Adams IDFA	9/3/81	\$ 250,000	10
S & S Electronics, Inc.	Lowell IDFA	9/3/81	\$ 600,000	35
101 Adams St. Realty	Quincy IDFA	9/3/81	\$ 800,000	
MacNeil Engineering Co.	Marlboro IDFA	9/3/81	\$ 600,000	13
Middle Street Realty Trust	Lowell IDFA	9/3/81	\$ 800,000	140
New England Smelting Works, Inc.	W. Springfield	9/3/81	\$ 300,000	5
Piconics, Inc.	Tyngsborough	9/3/81	\$ 650,000	80
West Lynn Creamery	Lynn IDFA	9/3/81	\$ 500,000	150
Park Lane Assoc., Inc.	Seekonk	9/3/81	\$ 550,000	40
F.W. Webb Company	Stoughton IDFA	9/3/81	\$ 600,000	8
Dyonics, Inc.	Andover IDFA	9/3/81	\$ 1,000,000	160
Seaman Paper Company	Otter River	9/3/81	\$ 350,000	1*
Petroleum Carriers, Inc.	N. Grafton IDFA	9/3/81	\$ 850,000	3
Secunda Realty	Pittsfield IDFA	9/3/81	\$ 400,000	150
Madison Wire & Cable Co.	Worcester IDFA	9/3/81	\$ 2,300,000	35
Suffolk Square Associates I	Malden	9/3/81	\$ 900,000	130
Winsor Associates	Worcester IDFA	9/3/81	\$ 2,700,000	
West Lynn Creamery	Lynn IDFA	9/3/81	\$ 1,000,000	
Sealed Air Corp.	Holyoke IDFA	9/3/81	\$ 2,800,000	10
Alden Electronic & Impulse Recording Equipment Co.	Westboro IDFA	10/1/81	\$ 550,000	23
Stride Rite Corp.	Boston	10/1/81	\$ 478,100	5
Stride Rite Corp.	Lawrence	10/1/81	\$ 378,600	3
Stride Rite Corp.	Brockton	10/1/81	\$ 419,400	3
Stride Rite Corp.	Newburyport	10/1/81	\$ 543,500	3
Stride Rite Corp.	Millis	10/1/81	\$ 180,400	3
MIJA Industries, Inc.	Plymouth IDFA	10/1/81	\$ 400,000	33
American Cold Storage Co.	Westwood	10/1/81	\$ 600,000	38
Lasercomb America, Inc.	Palmer	10/1/81	\$ 697,000	13

Company	Location	Board Approval	Loan	Jobs
Mar-Lil Industries, Inc.	New Bedford IDFA	10/1/81	\$ 830,000	300
BIW Cable Systems, Inc.	Taunton	10/1/81	\$ 1,600,000	22
Whittenton Garment Corp.	Fall River IDFA	10/1/81	\$ 1,100,000	112
Seaboard Products, Inc.	Kingston	10/1/81	\$ 2,500,000	20
Leroux Meat Processing, Inc.	Holden IDFA	10/1/81	\$ 700,000	19
Dynagraf, Inc.	Boston IDFA	10/1/81	\$ 550,000	20
Stride Rite Corp.	Cambridge	10/1/81	\$ 1,000,000	60
Ciocca Construction Corp.	Springfield IDFA	10/1/81	\$ 450,000	4
GM Industries, Inc.	Seekonk	10/1/81	\$ 400,000	30
H.L. Bouton Co.	Bourne	10/1/81	\$ 3,000,000	*
FNBC Realty Corp.	New Bedford	10/1/81	\$ 8,250,000	183*
Excelsior Printing Co.	N. Adams IDFA	10/1/81	\$ 480,000	*
Piantedosi Baking Co.	Malden	10/1/81	\$ 750,000	30
Delmed, Inc.	Canton IDFA	10/1/81	\$ 2,200,000	175
North Adams Assoc.	N. Adams IDFA	10/1/81	\$ 4,000,000	150
Louis F. DeCota	Randolph	10/1/81	\$ 600,000	10
West Lynn Creamery	Lynn IDFA	10/1/81	\$ 1,560,000	452
Roper & Broderick, Inc.	Chicopee IDFA	10/1/81	\$ 350,000	16
United Lens Company	Southbridge	10/1/81	\$ 1,800,000	70
Metropolitan Center, Inc.	Boston	10/1/81	\$ 4,525,000	15
Venus Wafers, Inc.	Hingham	10/1/81	\$ 500,000	10
Premier Roll & Tool Co.	N. Attleboro IDFA	10/1/81	\$ 250,000	4
Stafford Manufacturing	Wilmington	10/15/81	\$ 500,000	14
N.E. Business Service, Inc.	Groton	10/15/81	\$ 5,000,000	400
Continental Resources, Inc.	Bedford	10/15/81	\$ 3,500,000	25
August A. Busch Co. of Massachusetts, Inc.	Chelsea IDFA	10/15/81	\$ 7,000,000	47
Bleyer Industries, Inc.	Wakefield	10/15/81	\$ 2,600,000	25*
Medford Savings Bank	Medford	10/15/81	\$ 1,000,000	8
Giftos Brothers	Dalton	10/15/81	\$ 425,000	7
Newark Boxboard Co.	Haverhill	10/15/81	\$ 400,000	*
National Perforating Corp.	Clinton IDFA	10/15/81	\$ 400,000	4
Moore Company, Inc.	Springfield	10/15/81	\$ 10,000,000	150
Pizzeria Regina of America, Inc.	Lynn IDFA	10/15/81	\$ 300,000	50
Armatron International, Inc.	Melrose	10/22/81	\$ 865,000	60
James Hunter Machine Co.	N. Adams IDFA	10/22/81	\$ 480,000	18
Everett Savings Bank	Everett	10/22/81	\$ 2,000,000	9
Isomedix, Inc.	Northboro IDFA	10/22/81	\$ 1,250,000	25
Eastern Scientific Co.	Stoneham	10/22/81	\$ 845,000	10
John Boyd Co.	Lynn IDFA	10/22/81	\$ 2,000,000	30
Nimrod Press, Inc.	Boston IDFA	10/22/81	\$ 600,000	25
Leather Shop, Inc.	Concord	10/22/81	\$ 450,000	90



Company	Location	Board Approval	Loan	Jobs
New England Vending	Lowell IDFA	10/22/81	\$ 550,000	40
Merchants Tire Co.	Boston IDFA	10/22/81	\$ 1,100,000	26
Seaman Paper Co.	Otter River	10/22/81	\$ 600,000	1
Purity Supreme, Inc.	Billerica IDFA	10/22/81	\$ 2,000,000	25
The Northampton Hotel	Northampton IDFA	10/22/81	\$ 1,000,000	135
Wilbur Theatre	Boston IDFA	10/22/81	\$ 800,000	
Amesbury Industries, Inc.	Amesbury IDFA	10/22/81	\$ 1,000,000	11
Tervakoski U.S.A., Inc.	Lenox	10/22/81	\$ 2,725,000	20
D.D. & L. Realty Trust	Boston	10/22/81	\$ 425,000	50
Colonial Wire & Cable, Inc.	Billerica	10/22/81	\$ 350,000	10
Jenifer House Ltd., Inc.	Great Barrington	10/22/81	\$ 400,000	25
Morse Shoe, Inc.	Brockton	10/22/81	\$ 1,000,000	160
Sager Electrical Supply Co.	Hingham	10/22/81	\$ 750,000	8
Legal Seafoods	Cambridge	10/22/81	\$ 750,000	160
Wang Laboratories, Inc.	Holyoke IDFA	10/22/81	\$ 10,000,000	800
Nucom, Inc.	Great Barrington	10/22/81	\$ 212,000	28
Village Forge, Inc.	Boston IDFA	11/5/81	\$ 280,000	10
Winter Hill Frozen Foods and Services, Inc.	Westboro IDFA	11/5/81	\$ 1,500,000	14
James M. Salah	Canton IDFA	11/5/81	\$ 550,000	55
Eli Sandman Co.	Worcester IDFA	11/5/81	\$ 207,000	15
Jones, Whiting & Whiting	Worcester IDFA	11/5/81	\$ 750,000	30
Data General Development Corp.	Milford IDFA	11/5/81	\$ 1,000,000	250
Cooley, Shrair, Alpert & Labovitz	Springfield IDFA	11/5/81	\$ 275,000	15
R.E. Smith Printing Co.	Fall River IDFA	11/5/81	\$ 500,000	10
Walpole Cooperative Bank	Walpole	11/5/81	\$ 800,000	15
Hammermill Paper Co.	Westfield IDFA	11/5/81	\$ 5,000,000	142
Plainville Corp.	Plainville	11/5/81	\$ 795,000	5
Eastware, Inc.	Westboro IDFA	11/5/81	\$ 750,000	4
Millipore Corp.	Westford	11/5/81	\$ 4,800,000	100
Ski America Enterprises, Inc.	Pittsfield IDFA	11/5/81	\$ 200,000	18
Bailey & Weston, Inc.	Hingham	11/5/81	\$ 325,000	7
Holbrook Drop Forge, Inc.	Worcester IDFA	11/5/81	\$ 1,000,000	20
Daniels Printing Co.	Everett	11/5/81	\$ 855,000	17
Feecon Corp.	Westboro IDFA	11/5/81	\$ 1,500,000	15
Astro Wire & Cable Corp.	Worcester IDFA	11/5/81	\$ 500,000	10
Jordan Marsh Company	Somerville	11/5/81	\$ 4,000,000	190
Donahue Brothers, Inc.	Methuen IDFA	11/5/81	\$ 585,000	10
Kittredge Equip. Co.	Springfield IDFA	11/5/81	\$ 350,000	10
Cincinnati				
Milacron-Heald Corp.	Worcester IDFA	11/5/81	\$ 1,000,000	75
Accutest Corp.	Billerica IDFA	11/5/81	\$ 7,000,000	300
Worcester Envelope Co.	Auburn IDFA	11/5/81	\$ 850,000	10
Eyecare-Eyeware Assoc.	Taunton IDFA	11/5/81	\$ 250,000	10
North American Assoc.	Stoughton IDFA	11/5/81	\$ 325,000	46
Auburn Wire, Inc.	Hyannis IDFA	12/3/81	\$ 1,230,000	82
Rudolph & Co., Inc.	Boston IDFA	12/3/81	\$ 450,000	8

Company	Location	Board Approval	Loan	Jobs
Bose Corporation	Hopkinton IDFA	12/3/81	\$ 3,325,000	240
Neico Microwave Co.	Hopkinton IDFA	12/3/81	\$ 550,000	15
Mayfield Plastics, Inc.	Worcester IDFA	12/3/81	\$ 440,000	9
Republic Plumbing Co.	Norwood IDFA	12/3/81	\$ 1,100,000	14
Eastern Uniform Co.	Norwell IDFA	12/3/81	\$ 4,000,000	275
Main & Sullivan Ltd.	N. Easton IDFA	12/3/81	\$ 360,000	20
Plymouth Marine, Inc.	Plymouth IDFA	12/3/81	\$ 1,600,000	10
Turner Fisheries, Inc.	Boston IDFA	12/3/81	\$ 1,000,000	29
Bartley Machine and Manufacturing Co.	Amesbury IDFA	12/3/81	\$ 300,000	80
Ken-Weld Co., Inc.	Worcester IDFA	12/3/81	\$ 1,000,000	25
Stickney & Poor Spice Co.	Chelmsford IDFA	12/3/81	\$ 850,000	30
Burgess Brothers	Canton IDFA	12/3/81	\$ 1,500,000	21
Environmental Instruments, Inc.	Natick IDFA	12/3/81	\$ 600,000	75
Compo Industries, Inc.	Lowell IDFA	12/3/81	\$ 2,500,000	*
Frito-Lay, Inc.	Danvers	12/3/81	\$ 1,000,000	21
Ken-Mar Tool, Inc.	Agawam	12/3/81	\$ 255,000	3
Plainville Machine Works, Inc.	Plainville	12/3/81	\$ 450,000	10
Colonial Fabricators, Inc.	Cambridge	12/3/81	\$ 1,500,000	32
Graphic Image	Plainville	12/3/81	\$ 350,000	16
Cricket Press, Inc.	Manchester	12/3/81	\$ 1,060,000	5
Syncor International Corp.	Bedford	12/3/81	\$ 325,000	5
Tectrol Associates, Inc.	W. Springfield	12/3/81	\$ 200,000	10
Purity Supreme, Inc.	Winchester	12/3/81	\$ 800,000	100
The Tool House, Inc.	Leominster	12/3/81	\$ 200,000	43
Shoe Carton Corp.	Methuen	12/3/81	\$ 1,500,000	12
Plumbers Landing Assoc.	New Bedford	12/3/81	\$ 1,250,000	35
FIA, Inc.	Woburn	12/3/81	\$ 450,000	5
Country Curtains, Inc.	South Lee	12/3/81	\$ 370,000	20
Allied Sheet Metal and Heating Corp.	Waltham	12/3/81	\$ 325,000	8
Aluchem Corp.	Fall River IDFA	12/3/81	\$ 950,000	40
Holyoke Water Power Co.	Holyoke IDFA	12/8/81	\$ 12,000,000	
Software Arts, Inc.	Wellesley	12/8/81	\$ 2,000,000	70
Beloit Corporation	Pittsfield	12/8/81	\$ 1,000,000	18
Lenox Machine Co.	Lenox	12/8/81	\$ 2,040,000	20
Nine Waldo Street Assoc.	Worcester IDFA	12/29/81	\$ 2,200,000	175
Consolidated Freight	Chicopee IDFA	12/29/81	\$ 2,800,000	100
Totals		426	\$519,213,400	20,859

\*These projects have job retention.

\*\*Employment is projected at time of loan approval.

\*\*\*Projects without new employment figures are either CARD or pollution control projects, or have job retention. Several approvals are also part of larger projects previously financed with MIFA bonds.

# 1981 Projects Approved for MIFA Guaranty Commitments

Company	Location	Board Approval	\$ Guaranty	\$ Loan	Project Cost	Jobs
Arrow Alloys, Inc. (a)	W. Springfield	10/6/77	\$ 75,000	\$ 400,000	\$ 403,000	4
Creative Carving	Boston	12/1/77	\$ 49,000	\$ 50,000	\$ 64,000	24
Fabtron Corporation	Waltham	1/5/78	\$ 220,000	\$ 620,000	\$ 709,000	15
Merrimack Magnetics	Lowell	1/5/78	\$ 150,000	\$ 950,000	\$ 1,360,000	190
Millers Falls/DEDIC	Deerfield	2/2/78 6/9/78	\$ 90,000	\$ 177,000	\$ 869,000	200
Congress Technical Spray Company	Dracut	5/4/78	\$ 150,000	\$ 400,000	\$ 467,000	17
Acme Canvas Company	Malden	6/9/78	\$ 128,000	\$ 640,000	\$ 794,000	9
Carr Leather Company	Lynn	8/3/78	\$ 320,000	\$ 720,000	\$ 917,000	10
Hale-Moore Printing, Inc.	Fitchburg	8/24/78	\$ 106,500	\$ 355,000	\$ 395,000	23
Agromarine Industries	New Bedford	8/31/78	\$ 180,000	\$ 480,000	\$ 671,000	125
Nielson Moulding Design Corp.	W. Groton	9/19/78	\$ 175,000	\$ 525,000	\$ 663,000	120
Springfields Bakery	Springfield	9/19/78	\$ 45,000RE (a) \$ 90,000E	\$ 225,000 \$ 225,000	\$ 350,000 \$ 280,000	114
Fred V. Fowler	Newton	11/2/78	\$ 100,000	\$ 500,000	\$ 705,000	15
Salvo Machinery, Inc.	Fall River	11/2/78	\$ 30,000	\$ 120,000	\$ 190,500	28
Adden Furniture Company	Lowell	11/20/78	\$ 40,000	\$ 140,000	\$ 164,000	17
Berkshire Tanning Corp.	North Adams	12/7/78	\$ 75,000	\$ 125,000	\$ 1,800,000	90
CFK Press, Inc.	Westwood	12/7/78	\$ 300,000	\$ 3,050,000	\$ 3,450,000	100
Astro Circuit Corp.	Lowell	3/1/79	\$ 145,000	\$ 1,300,000	\$ 2,476,000	132
Fish Chemical & Equip. Inc.	Walpole	4/5/79	\$ 75,000	\$ 365,000	\$ 417,500	15
Holiday Realty Corp. (E. Demakes & Co.)	Lynn	4/23/79	\$ 250,000	\$ 950,000	\$ 1,689,000	30
Harris Environmental Systems, Inc.	Andover	6/7/79	\$ 95,000	\$ 845,000	\$ 968,000	35
Consolidated Fabricators, Inc.	Auburn	6/7/79	\$ 200,000	\$ 750,000	\$ 803,000	25
New England Book Components, Inc.	Hingham	7/5/79	\$ 200,000	\$ 825,000	\$ 1,648,000	20
Hub Mail Advertising Service, Inc.	Boston	7/5/79	\$ 375,000	\$ 1,840,000	\$ 2,315,000	45
Domenico, Inc.	Lynn	7/17/79	\$ 225,000	\$ 690,000	\$ 872,000	60
ModuForm, Inc.	Fitchburg	9/6/79	\$ 132,000	\$ 530,000	\$ 601,000	25
Northeast Offset, Inc.	Chelmsford	9/21/79	\$ 75,000	\$ 315,000	\$ 423,500	7
Salem Oil & Grease	Salem	11/13/79	\$ 168,000	\$ 600,000	\$ 625,400	3
Epicure Products	Newburyport	12/6/79	\$ 110,000	\$ 1,310,000	\$ 1,622,000	20
Van Norman Machine	Springfield	1/3/80	\$ 220,000	\$ 880,000	\$ 1,101,600	30
Denardo Wire & Cable	Fitchburg	4/3/80	\$ 100,000	\$ 364,500	\$ 373,000	15
P&L Sportswear	Boston	4/3/80	\$ 400,000	\$ 2,500,000	\$ 3,762,000	250
Main Street Assocs.	Fitchburg	4/3/80	\$ 210,000	\$ 700,000	\$ 1,091,500	200
Phalo/Transitron	Fall River	5/1/80	\$ 300,000	\$ 1,300,000	\$ 3,667,000*	150
Armour Porter Corp.	Grafton	6/5/80	\$ 84,000	\$ 279,000	\$ 750,000	55**
Display Components	Westford	6/5/80	\$ 250,000	\$ 832,500	\$ 1,260,000	37
Yankee Box Company	Randolph	7/10/80	\$ 100,000	\$ 500,000	\$ 750,000	12
RBS Manufacturing Corp.	N. Andover	8/7/80	\$ 100,000	\$ 300,000	\$ 535,000	9
Elwell Iron Works	Springfield	10/2/80	\$ 64,800	\$ 325,000	\$ 458,000	6
Rufus Choate Assoc.	Salem	11/13/80	\$ 32,000	\$ 160,000	\$ 192,000	12
Backer-Loring Corp.	Peabody	12/4/80	\$ 120,000	\$ 480,000	\$ 611,500	10
M.P.C., Inc.	Lowell	1/8/81	\$ 60,750	\$ 202,500	\$ 315,750	8
Communications Cable of Massachusetts, Inc.	Attleboro	3/11/81	\$ 160,000	\$ 400,000	\$ 591,000	50
Penco Industries, Inc.	New Bedford	4/2/81	\$ 72,500	\$ 290,000	\$ 366,735	12
L & J of New England	Worcester	5/7/81	\$ 105,000	\$ 405,000	\$ 738,600	10
Techmet/Scharr Industries	Springfield	6/4/81	\$ 250,000RE \$ 163,000E	\$ 625,000 \$ 408,000	\$ 1,215,000	124
Roman Plastics Co., Inc.	Wareham	7/2/81	\$ 83,000	\$ 333,000	\$ 377,246	6
Boston Scientific Corp.	Watertown	12/29/81	\$ 500,000	\$ 2,520,000	\$ 2,900,000	110
TOTALS	48		\$7,748,550	\$33,826,500	\$49,767,831	2,624(b)

(a) Project did not go forward after approval

(b) Employment is projected at the time of loan approval.

\*Including UDAG funding. Phase II will occur within 2 years — projected additional investment is \$3.0 million, for a total of 400 jobs.

\*\*Including 40 retained jobs.



# The Programs

The Massachusetts Industrial Finance Agency was established to administer a variety of economic development financing programs to assist expanding businesses throughout Massachusetts. The goal of MIFA's incentives is to create more jobs and expand incomes and the tax base by stimulating greater levels of investment by our private employers. The incentive programs include:

## **Tax-Exempt Industrial Loans**

To entice employers to establish or expand their companies in Massachusetts, MIFA uses its exemption from federal income taxes to lower the interest rate on loans for manufacturing, research and development, or warehouse and distribution firms. The financing must be used for the construction, acquisition or improvement of plant and equipment located in Massachusetts which will create or retain employment within the state.

These loans are created as "industrial revenue bonds," and in many respects are very similar to conventional loans to finance real estate and equipment. Interest on the loan is exempt from federal income tax, and therefore the lender can grant the loan below current conventional interest rates. The lender evaluates the borrower's credit in the same way as it would for a conventional loan. The credit of the state, MIFA, or any local government is not pledged to repay the loan.

## **Mortgage Loan Guaranty**

Some firms with good growth potential, particularly younger or smaller firms, have difficulty obtaining long-term loans to finance plant and equipment purchases. With MIFA loan guaranties, a company can borrow more of a project's cost at tax-exempt rates. This reduces the firm's debt service costs and conserves its cash for working capital while also expanding its investment in productive assets.

For lenders, MIFA's loan guaranty program can provide additional security by reducing their net exposure while increasing loan amounts to their customers. The benefits to both the present lender and borrower more than offset MIFA's premium for the guaranty. MIFA encourages borrowers who may need the guaranty to apply as early as possible to prevent any delay in the financing. Unlike the Small Business Administration, MIFA will guaranty tax-exempt loans, has no requirements that the borrower be turned down first by private lenders, and does not restrict eligible borrowers by their size. Important commercial buildings in CARD areas are also eligible for mortgage guaranties.

## **Pollution Control Financing**

Financing for pollution control equipment can put a financial strain on a company. This is because the required machinery increases the company's debt service costs without increasing its productivity and revenues. To ease the burden, tax-exempt financing is available for pollution control facilities, which can range from specialized equipment for an individual company to large solid waste resource recovery plants or hazardous waste facilities.

## **Assistance for Commercial Area Revitalization Districts**

In addition to its financial incentives for industrial growth, MIFA offers tax-exempt financing and mortgage loan guaranties to assist commercial revitalization projects.

Commercial buildings such as offices, hotels, retail stores and parking garages are eligible for tax-exempt mortgage loans if located within a Commercial Area Revitalization District (CARD). These districts are designated in a revitalization plan adopted by a community's governing body and then approved by the state's Secretary of Communities and Development.

Tax-exempt mortgages for projects contributing to the revitalization of a downtown commercial center can be a powerful tool to help local banking, business and community leaders revive their downtowns by lowering the debt service costs for new or rehabilitated downtown buildings relative to similar buildings in outlying areas.

Many of the state's cities and towns have established CARD plans, and some have obtained federal Urban Development Action Grants to assist projects in those districts. Important buildings in CARD areas are eligible for MIFA's loan guaranty. Improved properties within CARD districts may also qualify for certain tax credits and deductions under the state's Urban Job Incentive Program.

## **Financing for Housing**

Successful urban revitalization requires people living as well as working and shopping in our commercial centers. Buildings within CARD areas to be improved with tax-exempt mortgages through MIFA may contain rental housing if the building also contains some commercial space, usually on the ground floor. The financing must be used substantially for acquiring and rehabilitating existing buildings, not new construction.

The governing body of the municipality and the MIFA directors must vote after public hearings that the building is blighted and in need of assistance to be restored. A new federal law requires that 15% or 20% (depending upon location) of the apartments in the building be reserved for low or moderate income persons.

## Who Can Qualify

MIFA's goal is to creatively use the provisions of federal and state law permitting tax-exempt financing to stimulate private investment. Certain criteria must be met to qualify for MIFA programs:

1. All projects must create or retain employment in Massachusetts.
2. Projects to be used by manufacturing, research and development, or warehousing and distribution enterprises may be located anywhere in Massachusetts. All other projects must be located in a community's commercial center designated a "Commercial Area Revitalization District" (CARD).
3. No commitment or transaction should be undertaken before MIFA or a local industrial development financing authority gives initial approval for the project. If a local authority will issue the bond, the project must also receive approval by the governing body of the municipality (city council and mayor or board of selectmen).
4. The proceeds of the tax-exempt loan must be used strictly to acquire land, improve land, or purchase depreciable assets such as plant and equipment. Working capital and refinancings are not eligible. Certain costs and fees pertaining to the transaction may be included in the bond.
5. If the bond will exceed \$1 million, the owner and any user of more than 10% of the project must not make capital expenditures exceeding \$10 million in the same community as the project financed with a tax-exempt loan. This capital expenditures test covers the three years *prior to* and three years *after* the date that the loan is completed. If the project is partly financed by a federal Urban Development Action Grant, the capital expenditures limit rises to \$20 million, though the tax-exempt loan still cannot exceed \$10 million. In addition, certain types of facilities (parking garages, pollution control equipment) are exempt from any capital expenditures limitation.

A loan to be guaranteed by MIFA must:

1. Be secured by a first mortgage lien on the new or improved plant or equipment to be financed.
2. Create or retain employment in Massachusetts that is substantially full-time, non-seasonal, paying one and one-half times the minimum wage, and offering adequate fringe benefits, such as health insurance.
3. Not exceed 90% of the value of real estate, or 80% of the cost of equipment securing the loan. The guaranteed portion of the loan will vary in each case with the amount requested and the employment to be created, and generally ranges from 10% to 40% of the loan.

## Steps to Follow

Once eligibility is determined, the tax-exempt approval process should move rapidly through the following critical steps. Loan closings completed from steps 1-7 are regularly achieved in 60 days.

### Step 1

Contact MIFA to determine eligibility of the project, referral to local industrial development financing authority if one exists in the project location, ideas on possible funding sources, and other potentially applicable programs.

### Step 2

Fill out a simple application form available from MIFA called a "Project Information Statement." Lawyers to serve as "bond counsel" should be selected at this stage by the borrower (with the proposed lender's approval, if possible).

### Step 3

Have MIFA, or the local authority and the municipality's governing body, take the first vote to approve the project before commitments for the project, including a purchase and sale agreement for property or a purchase order for equipment, are made.

### Step 4

Construction or purchase of the building or equipment may commence.

### Step 5

Negotiate the final financing terms with the lender as the lawyers complete the loan papers, research the zoning, title, and complete other legal aspects of the financing.

### Step 6

Submit the final loan papers for approval by the local authority if it is to issue the bond, and then by MIFA's board of directors, or by MIFA only if MIFA is to issue the bond.

### Step 7

Upon MIFA's approval, MIFA will supply a Certificate of Convenience and Necessity, and immediately thereafter the loan can be completed.

### Guaranteed Loans

If a guaranty is requested, MIFA will need up to three weeks for an appraisal to be done, and accordingly MIFA should be called to commence the loan guaranty processing as close as possible to Step 2.

### Projects to Include Housing

If the building may include any residential units, Steps 1 to 7 remain substantially the same, except that MIFA (not a local authority) must issue the bond, and one additional step is required:

### Step 2A

Following publication of *notice* 10 days prior to the hearing date, the local governing body must hold a public hearing and must *vote* to adopt certain findings regarding the proposed project. (Forms for the required notice and findings are available from MIFA.)





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